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SUBJECT: SEEKING TO REGAIN MOMENTUM ON TRANSNISTRIA

Classified By: Deputy Chief of Mission Kelly Keiderling for reasons 1.4 (b) and (d)

11. (C) Summary: In a November 27 meeting on the eve of his departure for the OSCE Ministerial in Madrid, Minister of Reintegration Sova was angry that the Spanish had given Litskai a visa and threatened a GOM walkout. Ambassador Kirby counseled a more measured diplomatic approach that would allow Moldova to take the moral high ground. Minister Sova said that a revised text of the Transnistria vehicle-registration decree had been prepared, removing the terms that were most objectionable to the Transnistrians. End Summary.

Diplomatic Approach Better than Anger

- 12. (C) With some indignation Minister Sova informed Ambassador Kirby that Transnistrian "Foreign Minister" Litskai was already in Madrid. Sova expressed his displeasure that the Spanish had given Litskai a visa that would enable him to attend the OSCE Ministerial. Sova threatened that the Moldovan delegation would make a huge scandal in response and walk out. The Ambassador counseled instead a more measured diplomatic approach and suggested allowing others to do the complaining.
- 13. (C) Reminding Sova that the Moldovans had taken many positive steps lately to build confidence, the Ambassador advised Chisinau to appear conciliatory and eager for a resolution. Let the other side be seen as the problem. An inflexible Chisinau would only serve the interests of hawks in Transnistria and Moscow.

Next Steps for 5 plus 2

- 14. (C) The Ambassador described his recent discussions with Ukrainian Ambassador Pirozhkov (November 26). The two Ambassadors had agreed that an informal 5 plus 2 get-together in Ukraine in January would be good. An informal round would not require press releases or formal statements.
- 15. (C) The Ambassador suggested that Sova seek out the Finns during the OSCE Ministerial and propose an informal 5 plus 2 round in January. Such a proposal would demonstrate a desire for progress, allowing Chisinau to take the moral high ground.

GOM to Revise License-plate Decree

16. (C) Minister Sova said that the relevant ministries had met and agreed upon a revised decree on license plates. The new version removed some of the points most objectionable to the Transnistrian side. Sova said that he was also

consulting with the EU and the Ukrainians. While the first offending draft had not been signed by the Ministry of Reintegration, this revision would be signed by Sova, in addition to the Ministers of Information Development, Internal Affairs, Finance, Economy and Trade, and Justice. The text still has to be approved by Parliament.

17. (C) The revised draft removed the prohibition on Transnistrian-registered vehicles from traveling outside of Moldova and from circulating within right-bank Moldova. The new draft stipulated that vehicles imported into Moldova before September 1, 2007 (including those over ten years old) could be registered without payment of excise taxes or customs duties. (Note: Currently, vehicles older than 10 years old cannot be imported into Moldova. End note.) The new draft required owners of vehicles that were imported into Moldova outside of the current customs framework to register them with the Moldovan Government within a year after the law goes into effect.

## Comment

- 18. (C) The revised draft law will allow Transnistrians to register their cars for free. The phrase "vehicles imported outside of the customs framework" does not specifically name vehicles with Transnistrian license plates. It therefore creates perhaps inadvertently a window of opportunity for Moldovans to import vehicles seven to ten years old into Transnistria and then register them in Chisinau at lower excise tax rates. By revising the license-plate decree the GOM will take a positive step towards undoing the damage done to recent confidence-building momentum.
- 19. (C) Chisinau can seize the moral high ground and regain some of the confidence-building momentum lost with the license-plate decree. Though the Spanish had hoped to finish their presidency with a grand diplomatic flourish on Moldova, their gaffe in granting Litskai a visa without European consultations provided just one more proof of their ineffective approach. We are hoping that the Finnish presidency will bring new momentum to the 5 plus 2 process. KIRBY